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8 Alan Gomperts, Daniel Halevy, and  
Susan Halevy  
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10 **UNITED STATES BANKRUPTCY COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**

12 In re:

13 SEATON INVESTMENTS, LLC, *et al.*,  
14

15 Debtors and Debtors in  
16 Possession.

Lead Case No. 2:24-bk-12079-VZ

Jointly Administered with Case Nos.:  
2:24-bk-12080-VZ; 2:24-bk-12081-VZ;  
2:24-bk-12082-VZ; 2:24-bk-12091-VZ;  
2:24-bk-12074-VZ; 2:24-bk-12075-VZ  
and 2:24-bk-12076-VZ

Chapter 11

**DEBTORS' STATUS REPORT RE  
CONTINUED HEARING ON ORDER  
TO APPEAR TO EXPLAIN WHY  
CASES SHOULD NOT BE  
DISMISSED**

- 19 ☐ Affects All Debtors.  
20 ☐ Affects Seaton Investments, LLC  
☐ Affects Colyton Investments, LLC  
21 ☒ Affects Broadway Avenue Investments, LLC  
☒ Affects SLA Investments, LLC  
22 ☒ Affects Negev Investments, LLC  
☒ Affects Alan Gomperts  
23 ☒ Affects Daniel Halevy  
24 ☒ Affects Susan Halevy  
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Hearing:  
Date: February 27, 2025  
Time: 11:00 a.m.  
Crtrm.: 1368

Debtors Alan Gomperts, Daniel Halevy, and Susan Halevy (collectively, the “Individual Debtors”) and debtors Broadway Avenue Investments, LLC (“Broadway”), SLA Investments, LLC (“SLA”), and Negev Investments, LLC (“Negev,” and collectively with Broadway and SLA, the “Corporate Debtors,” and collectively with the Individual Debtors, the “Debtors”) hereby submit this status update to the responses of Debtors (Docket Nos. 397, 412) re Order to Appear to Explain why Cases Should not be Dismissed (Docket No. 367) (the “OSC”). The Debtors wish to apprise the Bankruptcy Court of the most recent developments in their cases prior to the OSC hearing.

Given the Debtors’ progress and recent developments, the Debtors request that the Court continue the OSC hearing to April 10, 2025—the anticipated hearing on confirmation of the Debtors’ joint plan of reorganization.

#### **I. BACKGROUND**

On December 20, 2024, the Court entered the OSC requiring the Debtors to “show cause why the above-captioned bankruptcy cases should not be converted or dismissed pursuant to 11 U.S.C. § 1112.” OSC at p. 2.

On January 16, 2025, the Debtors filed a response to the OSC (“Response to OSC,” Docket No. 397), and on January 29, 2025, the Debtors filed a further status update regarding the OSC (“Status Update re OSC,” Docket No. 412).<sup>1</sup>

At the prior OSC hearing, on January 30, 2025, counsel for the Debtors indicated that two of the debtors, Seaton Investments, LLC and Colyton Investments, LLC, could be dismissed. Before the January 30, 2025 hearing, the Debtors had submitted an updated plan of organization dated January 16, 2025. Then, on February 6, 2025, the Debtors submitted an amended plan of reorganization (the “Plan”) and disclosure statement (“Disclosure Statement”)(Docket No. 426), and the Debtors filed a motion for approval of the adequacy of information in the Disclosure Statement (Docket No. 427), which is set for hearing concurrently with the continued OSC hearing.

As to Broadway and the payments to be made to Archway Broadway Loan SPE, LLC

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<sup>1</sup> To avoid redundancy, the Debtors hereby incorporate the facts, evidence, and arguments contained in the Response to OSC and the Status Update re OSC.

1 (“Archway”), the Plan’s provisions rely on rental income to be generated by the real property  
2 located at 737 S. Broadway, Los Angeles, CA 90014 (the “Broadway Building”). Broadway has  
3 been able to acquire a tenant for the Broadway Building, and the potential tenant would enter a  
4 lease with Broadway, which would support the payments proposed by the Plan. Broadway sought  
5 approval to enter into this lease post-petition under a motion that is set for hearing on February 25,  
6 2025 (Docket No. 420).

## 7 **II. STATUS UPDATE**

8 The hearing on the Disclosure Statement is scheduled with the continued hearing on the  
9 OSC, and the Debtors request the approval of the Disclosure Statement on February 27, 2025 and  
10 request a finding that the Disclosure Statement contains adequate information. If the Court approves  
11 the adequacy of the Disclosure Statement, then it appears the issue raised in connection with the  
12 OSC would be mooted or at least resolved, and the Debtors request that the Court either discharge  
13 the OSC, or at further continue the OSC to April 10, 2025 to be heard concurrently with the  
14 anticipated confirmation hearing.

15 Notwithstanding the significant progress that the Debtors have made since the entry of the  
16 OSC, creditor Archway has demonstrated its true intentions as it has continued on its path of  
17 scorched-earth litigation, harassing and overwhelming anyone attempting to transact with  
18 Broadway and the other debtors. Archway’s strategy is clear: create as many controversies and  
19 issues as possible in order to delay progress beyond the scheduled foreclosure date in April.<sup>2</sup>  
20 Unfortunately, Archway’s tactics have been partially successful as the lender, Streit Lending,  
21 decided to withdraw its Letter of Intent (“LOI”) instead of hiring counsel to respond to Archway’s  
22 overbroad and excessive discovery requests.

23 Nonetheless, the Debtors and their counsel have attempted to cooperate in good faith with  
24 Archway’s discovery, attempting to independently request production of documents regardless of  
25 whether Archway properly served the related 11-12 document demands. The Debtors have helped  
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27 <sup>2</sup> See Broadway’s reply to Archway’s omnibus objections, filed on February 18, 2025 (“Broadway  
28 Reply,” Docket No. 436).

1 to facilitate the rolling production of documents less than a week after receiving notice of the  
2 subpoenas, even though Archway set deadline for production of March 10, 2025—well after the  
3 scheduled hearings on February 25 and 27, 2025. In connection with such productions of  
4 documents, Archway’s counsel has refused to agree to confidentiality of any sensitive third-party  
5 business records and Archway appears unwilling to cooperate on protections of sensitive third-party  
6 information or any limitations on the scope of the plainly overbroad discovery requested.

7 However, through the Debtors’ diligent efforts, new lending has been secured with a new  
8 LOI from Serene Investment Management, LLC (*see* Broadway Reply, Docket No. 436).

9 The Debtors’ Plan and Disclosure Statement are adequate and feasible, and the Debtors  
10 believe that they will be in a position to seek confirmation of the Plan on April 10, 2025. Therefore,  
11 the Debtors believe that dismissal or conversion under § 1112 is not appropriate, and the Court  
12 should either discharge the OSC or continue the hearing on the OSC to April 10, 2025 to allow  
13 them an opportunity to have their Disclosure Statement approved and their Plan confirmed.

### 14 **III. CONCLUSION**

15 For the foregoing reasons, the Debtors request that the Court discharge the OSC or that the  
16 Court continue the hearing on the OSC to April 10, 2025 to be heard concurrently with the  
17 anticipated hearing on the Debtors’ confirmation of the Plan.

18  
19 Dated: February 20, 2025

SAUL EWING LLP

20  
21 By: /s/ Ryan Coy  
22 Zev Shechtman  
23 Ryan Coy  
24 Attorneys for Individual Debtors  
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1 Dated: February 20, 2025

WEINTRAUB ZOLKIN TALERICO & SELTH LLP

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3 By 

4 Derrick Talerico  
Attorneys for Corporate Debtors  
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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
**Saul Ewing LLP, 1888 Century Park East, Suite 1500, Los Angeles, CA 90067**

A true and correct copy of the foregoing document entitled (*specify*): **Debtors' Status Report Re Continued Hearing on Order to Appear to Explain Why Cases Should not be Dismissed** be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **February 20, 2025**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On (*date*) \_\_\_\_\_, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

February 20, 2025  
Date

Hannah Richmond  
Printed Name

/s/ Hannah Richmond  
Signature

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) (continued):**

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